

SEP 1 4 2007

## CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr Michael Kahn, Esq Republican Party of Brevard County 2525 Aurora Road, Suite 105 Melbourne, FL 32935

RE. MUR 5876

Dear Mr Kahn

The Federal Election Commission reviewed the allegations in your complaint dated October 27, 2006. On the basis of the information provided in your complaint, and information provided by Bowman for Congress Campaign Committee and Teresa Katz, in her official capacity as treasurer ("the Committee") and the Institute for Space and Security Studies ("ISSS"), the Commission determined to dismiss as matter of prosecutorial discretion the allegations that the Committee and ISSS violated 2 U.S.C. § 441b(a). See Heckler v. Chaney, 470 U.S. 821 (1985). The Commission further determined to dismiss the Committee's violations of 2 U.S.C. § 441b(a). The Commission further determined to dismiss the Committee's violation of 2 U.S.C. § 441b(a). Id. In addition, the Commission sent admonishments to the Committee, ISSS, and Discount Newsletter Printing, Inc. Accordingly, on September 7, 2007, the Commission closed the file in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). The Factual and Legal Analyses, which more fully explain the Commission's findings, are enclosed.

The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action See 2 U S C. § 437g(a)(8)

<sup>&</sup>lt;sup>1</sup> Patti D Gibbons served as the Committee's treasurer during the time of the activity in question

Mi Michael Kahn Esq MUR 5876 Page 2

If you have any questions, please contact Christine C. Gallagher, the attorney assigned to this matter, at (202) 694-1650

Sincerely,

Sidney Rocke

Assistant General Counsel

**Enclosures** 

Factual and Legal Analyses

### FEDERAL ELECTION COMMISSION

## FACTUAL AND LEGAL ANALYSIS

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RESPONDENTS Bowman for Congress Campaign Committee and Teresa Katz, in her official capacity as treasurer<sup>1</sup>

MUR: 5876

## I. BACKGROUND

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This matter was generated by a complaint filed with the Federal Election Commission by the Brevard County Republican Party. See 2 U.S.C. § 437g(a)(1). The complaint alleges that

Bowman for Congress Campaign Committee ("the Committee") used the resources of the

Institute for Space and Security Studies ("ISSS"), a tax-exempt 26 U.S C § 501(c)(3)

organization, to support Dr Bowman's election to the U S House of Representatives in Florida's

15<sup>th</sup> Congressional District in violation of 2 U.S C § 441b(a) and 11 C F.R § 114 2.

15 Specifically, the complaint alleges that ISSS distributed by mail, with use of its non-profit

organization paid postal privilege, a newsletter entitled National Security News that was entirely

devoted to expressly advocating Dr Bowman's election to Federal office

Based on the facts presented in the complaint, the response, as well as other available information, the Commission has determined to exercise its prosecutorial discretion to dismiss the matter as it pertains to the Bowman for Congress Campaign Committee's apparent violations of 2 U S C §§ 441b(a), 441d(c)(2), and 434(b)(3)(A) See Heckler v. Chaney, 470 U.S. 821

22 (1985)

<sup>&</sup>lt;sup>1</sup> Patti D Gibbons served as the Committee's treasurer during the time of the activity in question

MUR 5876 (Bowman for Congress Campaign Committee) Factual and Legal Analysis Page 2 of 6

## II. FACTUAL AND LEGAL ANALYSIS

A. The Committee's use of ISSS' mailing list and Discount Newsletter Printing Inc.'s non-profit mailing permit to mail campaign material violated 2 U.S.C. § 441b(a).

Since the 1980's, ISSS has published *Space & Security News*, a newsletter to subscribers on topics relating to space and high technology issues affecting national security <sup>2</sup> *See* Response at p 2 ISSS does not have its own non-profit organization mailing permit, but rather has been using the services of Discount Newsletter Printing, Inc. for the past 20 years to mail its publication *See* Bowman Affidavit at p. 2, December 7, 2006

The publication at issue in the complaint, *National Security News*, was a campaign communication mailed in June and October 2006 to "potential supporters including the 12,000 subscribers and friends of [ISSS] and approximately 6,000 other contributors and political supporters" Response at p 2. The first page of *National Security News* states that publication of *Space & Security News* was suspended from November 2005 through November 2006 due to Dr. Bowman's campaign for Congress. *See id* at Exhibit 6.

The articles in the June 2006 issue of *National Security News* support Dr. Bowman's candidacy for Federal office, describe his views on issues and positions related to his campaign, and provide contact information for his campaign. *See* Response at Exhibit 6 The newsletter does not refer to any other candidates *Id* The first and last pages of the newsletter contain solicitations for contributions to the Committee *Id*. In addition, at the top of the first page, the

<sup>&</sup>lt;sup>2</sup> In the 1980s, Dr Bowman founded ISSS and its publication *Space & Security News* ("SSN") See Response at pp 1-2 December 11, 2006 ISSS is an organization devoted to research and educational activities in the field of national security See Bowman Affidavit at p 1, December 7, 2006 A search of Dunn & Bradstreet's public records database indicates that ISSS has one employee (i.e., Dr Bowman) and is operated out of Dr Bowman's residence

MUR 5876 (Bowman for Congress Campaign Committee) Factual and Legal Analysis Page 3 of 6

newsletter states that it is "paid for by Bowman for Congress," and at the top of the last page the
newsletter states, "National Security News is published by Bowman for Congress." *Id.* The
sender of the newsletter is listed as "Bowman2006 Congressional Campaign Committee," and a

4 non-profit organization paid mailing permit appears to have been used to mail the newsletter. *Id*.

While there is no information indicating that *National Security News* was targeted exclusively to potential voters in Dr. Bowman's congressional district, page seven of the newsletter states, " if you live in the district, you can host a house party, walk your precinct, make phone calls, or join Bob's volunteer staff." *See* Response at Exhibit 6 This suggests that the newsletter was mailed to at least some potential voters, and, of course, all recipients would have been potential contributors.

The Committee mailed *National Security News* with Discount Newsletter Printing, Inc.'s non-profit paid postal privilege. *See* Response at pp. 2 - 3. According to the response, Lee Boeble, the proprietor of Discount Newsletter Printing, Inc. misinformed the Committee about proper use of the printer's non-profit paid postal privilege to mail campaign material. *See*Bowman Affidavit at p. 3. The response states that at some point in time after June 2006, Dr.

Bowman sought legal advice as to the appropriate method to mail campaign material, and was advised by counsel that election campaign material had to be mailed using the usual first class mailing rate or bulk rates applicable to bulk mail. *See id* 

The Committee calculated the additional postage it should have paid for the mailing of the June 2006 edition of *National Security News*, as \$1,097.05, and submitted documentation

In contrast to the June 2006 issue, the October 2006 issue of *National Security News* was sent by Discount Newsletter Printing, Inc. using the printing company's standard bulk rate indicia. See Bowman Affidavit at p. 3

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MUR 5876 (Bowman for Congress Campaign Committee) Factual and Legal Analysis Page 4 of 6

with the response that it had reimbursed that sum to the Post Office on November 27, 2006.<sup>4</sup>

2 The Committee's 2006 Year-End Report disclosed this disbursement. With respect to the

3 October 2006 issue of National Security News, invoices and receipts attached to the response

4 appear to show that the Committee paid the correct postage

The Act prohibits corporate expenditures or contributions in connection with a Federal election. See 2 U.S.C. § 441b(a). A contribution is defined as including any gift, subscription, loan, advance, or deposit of money, or anything of value made by any person for the purpose of influencing any Federal election. 11 C.F.R. § 100 52(a). The term "anything of value" includes all in-kind contributions, and unless specifically exempted, the provision of goods or services without charge or at a charge that is less than the usual and normal charge for such good or service. 11 C.F.R. § 100.52(d)(1)

The Committee's use of Discount Newsletter Printing, Inc.'s non-profit mailing permit to mail campaign material at a discounted rate constituted an in-kind corporate contribution received by the Committee from Discount Newsletter Printing, Inc. in violation of 2 U.S C. § 441b(a)

Similarly, it appears the Committee's use of ISSS' mailing list to mail its campaign material violated the Act's prohibition against corporate expenditures or contributions in connection with a Federal election See 2 U.S.C § 441b(a). The regulations specify mailing lists as an example of a good or service Id

<sup>&</sup>lt;sup>4</sup> Based upon the postage rates from Discount Newsletter Printing, Inc., it appears that the Committee reimbursed the Post Office the correct sum

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MUR 5876 (Bowman for Congress Campaign Committee) Factual and Legal Analysis
Page 5 of 6

ISSS' mailing list was something of value used by the Committee to support

- 2 Dr Bowman's candidacy for Federal office, and therefore, constituted the Committee's receipt of
- an in-kind corporate contribution from ISSS in violation of 2 U.S.C. § 441b(a).
- In addition, the Committee did not disclose the receipt of the in-kind corporate
- 5 contributions from ISSS or Discount Newsletter Printing, Inc. in violation of the Act's reporting
- 6 requirements See 2 U S C § 434(b)(3)(A)

# B. The Committee's newsletter failed to meet disclaimer specification requirements in violation of 2 U.S.C. § 441d(c)(2).

The June 2006 edition of the *National Security News* constitutes a public communication because it was a mass mailing (more than 500 pieces of mail matter of identical or substantially similar nature within any 30-day period) to the general public as defined by 11 C.F.R. §§ 100.26 and 100 27 *See* 2 U S C § 441d Accordingly, the newsletter was required to contain the appropriate disclaimer 11 C F R § 110 11(a). The newsletter was paid for and authorized by the candidate, therefore, the disclaimer must clearly state that the authorized political committee paid for the communication 11 C.F R. § 110 11(b)(1). In this matter, the newsletter contained the appropriate content requirements for disclaimers. *See id* 

- The newsletter also met most of the specification requirements for disclaimers 2 U S.C.
- 19 § 441d(c) and 11 C F R § 110 11(c) The disclaimer was on the front page of the
- 20 communication, it was in 12-point type size, black text against a white background, and was
- clearly readable by the recipient of the communication. 11 C F R. § 110 11(c)(2)(1) and (111).
- The only specification lacking was that the disclaimer was not contained in a printed box set
- apart from the other contents of the communication. 2 U S.C. § 441d(c)(2); 11 C.F.R.
- 24 § 110 11(c)(2)(11)

MUR 5876 (Bowman for Congress Campaign Committee) Factual and Legal Analysis Page 6 of 6

- Given the small amounts in violation, however, in the appropriate ordering of its
- 2 priorities, the Commission has determined to exercise its prosecutorial discretion to dismiss the
- matter as it pertains to the Bowman for Congress Campaign Committee's violations of 2 U.S.C.
- 4 §§ 441b(a), 441d(c)(2), and 434(b)(3)(A) and issue an admonishment.

### FEDERAL ELECTION COMMISSION

## FACTUAL AND LEGAL ANALYSIS

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4 RESPONDENT

Institute for Space and Security Studies

MUR: 5876

## I. BACKGROUND

This matter was generated by a complaint filed with the Federal Election Commission by the Brevard County Republican Party See 2 U S C § 437g(a)(1) The complaint alleges that the Institute for Space and Security Studies ("ISSS"), a tax-exempt 26 U.S.C § 501(c)(3) organization, used its resources to support Dr Bob Bowman's election to the U.S. House of Representatives in Florida's 15<sup>th</sup> Congressional District in violation of 2 U.S C. § 441b(a) and 11 C F R § 114 2 Specifically, the complaint alleges that ISSS distributed by mail, with use of its non-profit organization paid postal privilege, a newsletter entitled National Security News that was entirely devoted to expressly advocating Dr Bowman's election to Federal office.

ISSS acknowledges that *National Security News* was a campaign communication, but denies that any of its resources were used in the production or mailing of the newsletter. *See*Bowman Affidavit at pp 2 - 4, December 7, 2006 However, the response indicates that *National Security News* was paid for by the Committee and mailed to 12,000 of ISSS' 
subscribers *See* Response at p 2

Based on the facts presented in the complaint, the response, as well as other available information, the Commission has determined to exercise its prosecutorial discretion to dismiss the matter as it pertains to the Institute for Space and Security Studies' apparent violation of 2 U S C § 441b(a) See Heckler v Chaney, 470 U S. 821 (1985)

MUR 5876 (Institute for Space and Security Studies) Factual and Legal Analysis Page 2 of 4

#### II. FACTUAL AND LEGAL ANALYSIS

A. The Committee's use of ISSS' mailing list to mail campaign material violated 2 U.S.C. § 441b(a).

15 .

Since the 1980's, ISSS has been publishing *Space & Security News*, a newsletter to subscribers on topics relating to space and high technology affecting national security. See Response at p 2 ISSS does not have its own non-profit organization mailing permit, but rather has been using the services of Discount Newsletter Printing, Inc. for the past 20 years to mail its publication. See Bowman Affidavit at p 2, December 7, 2006.

The publication at issue in the complaint, *National Security News*, was a campaign communication mailed in June and October 2006 to "potential supporters including the 12,000 subscribers and friends of [ISSS] and approximately 6,000 other contributors and political supporters" Response at p 2. The first page of *National Security News* states that publication of *Space & Security News* was suspended from November 2005 through November 2006 due to Dr. Bowman's campaign for Congress. *See id* at Exhibit 6.

The articles in the June 2006 issue of *National Security News* support Dr. Bowman's candidacy for Federal office, describe his views on issues and positions related to his campaign, and provide contact information for his campaign *See* Response at Exhibit 6. The newsletter does not refer to any other candidates *Id.* The first and last pages of the newsletter contain solicitations for contributions to Bowman for Congress Campaign Committee ("the Committee") *Id.* In addition, at the top of the first page, the newsletter states that it is "paid for by Bowman for Congress," and at the top of the last page the newsletter states, "National

<sup>&</sup>lt;sup>1</sup> In the 1980s, Dr Bowman founded ISSS and its publication *Space & Security News* ("SSN") *See* Response at pp 1-2, December 11, 2006 ISSS is an organization devoted to research and educational activities in the field of national security *See* Bowman Affidavit at p 1, December 7, 2006 A search of Dunn & Bradstreet's public records database indicates that ISSS has one employee (i.e., Dr Bowman) and is operated out of Dr Bowman's residence

MUR 5876 (Institute for Space and Security Studies) Factual and Legal Analysis Page 3 of 4

Security News is published by Bowman for Congress" *Id* The sender of the newsletter is listed

2 as "Bowman2006 Congressional Campaign Committee," and a non-profit organization paid

3 mailing permit appears to have been used to mail the newsletter. *Id*.

While there is no information indicating that *National Security News* was targeted exclusively to potential voters in Dr. Bowman's congressional district, page seven of the newsletter states, "...if you live in the district, you can host a house party, walk your precinct, make phone calls, or join Bob's volunteer staff" *See* Response at Exhibit 6. This suggests that the newsletter was mailed to at least some potential voters, and, of course, all recipients would have been potential contributors

The Committee mailed National Security News with Discount Newsletter Printing, Inc.'s non-profit paid postal privilege See Response at pp. 2 - 3

The Committee's use of ISSS' mailing list to mail its campaign material violated the prohibition against corporate expenditures or contributions in connection with a Federal election as set forth in the The Federal Election Campaign Act of 1971, as amended ("the Act")

See 2 U S C. § 441b(a) A contribution is defined as including any gift, subscription, loan, advance, or deposit of money, or anything of value made by any person for the purpose of influencing any Federal election 11 C F R § 100 52(a). The term "anything of value" includes all in-kind contributions; and unless specifically exempted, the provision of goods or services without charge or at a charge that is less than the usual and normal charge for such good or service 11 C F R § 100 52(d)(1) The regulations specify mailing lists as an example of a good or service 1d

MUR 5876 (Institute for Space and Security Studies) Factual and Legal Analysis Page 4 of 4

- ISSS' mailing list was something of value used by the Committee to support Dr
- 2 Bowman's candidacy to Federal office, and therefore, constituted a prohibited in-kind
- 3 contribution from ISSS to the Committee in violation of 2 U.S.C. § 441b(a)
- Given the small amount in violation, however, in the appropriate ordering of its priorities,
- 5 the Commission has determined to exercise its prosecutorial discretion to dismiss the matter as it
- 6 pertains to the Institute for Space and Security Studies' apparent violation of 2 U.S.C. § 441b(a)
- 7 and issue an admonishment

## FEDERAL ELECTION COMMISSION

## FACTUAL AND LEGAL ANALYSIS

RESPONDENT.

Discount Newsletter Printing, Inc

devoted to expressly advocating Dr Bowman's election to Federal office.

MUR: 5876

## I. BACKGROUND

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This matter was generated by a complaint filed with the Federal Election Commission by the Brevard County Republican Party See 2 U S C § 437g(a)(1). The complaint alleges that Bowman for Congress Campaign Committee ("the Committee") used the resources of the Institute for Space and Security Studies ("ISSS"), a tax-exempt 26 U.S.C § 501(c)(3) organization, to support Dr Bowman's election to the U.S. House of Representatives in Florida's 15<sup>th</sup> Congressional District in violation of 2 U S.C § 441b(a) and 11 C.F R. § 114.2. Specifically, the complaint alleges that ISSS distributed by mail, with use of its non-profit organization paid postal privilege, a newsletter entitled National Security News that was entirely

The Committee acknowledges that *National Security News* was a campaign communication, but denies that any of ISSS' resources were used in the production or mailing of the newsletter *See* Bowman Affidavit at pp. 2 – 4 Rather, the Committee indicates that it used Discount Newsletter Printing, Inc 's non-profit organization mailing permit to mail the June 2006 edition of *National Security News*, and once the Committee became aware that campaign material must be mailed using standard postal rates, it promptly reimbursed the U.S. Post Office the appropriate postage amount *See* Bowman Affidavit at pp. 3 - 4, December 7, 2006.

Based on the facts presented in the complaint, the response, as well as other available information, the Commission has determined to exercise its prosecutorial discretion to dismiss

MUR 5876 (Discount Newsletter Printing, Inc.) Factual and Legal Analysis
Page 2 of 4

the matter as it pertains to the Discount Newsletter Printing Inc 's apparent violation of 2 U.S.C

2 § 441b(a) See Heckler v Chaney, 470 U S 821 (1985)

## II. FACTUAL AND LEGAL ANALYSIS

## A. The Committee's use of Discount Newsletter Printing Inc.'s non-profit mailing permit to mail campaign material violated 2 U.S.C. § 441b(a).

Since the 1980's, ISSS has published *Space & Security News*, a newsletter to subscribers on topics relating to space and high technology issues affecting national security. See Response at p 2 ISSS does not have its own non-profit organization mailing permit, but rather has been using the services of Discount Newsletter Printing, Inc. for the past 20 years to mail its publication. See Bowman Affidavit at p 2, December 7, 2006.

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MUR 5876 (Discount Newsletter Printing, Inc.) Factual and Legal Analysis Page 3 of 4

solicitations for contributions to Bowman for Congress Campaign Committee Id In addition, at

- the top of the first page, the newsletter states that it is "paid for by Bowman for Congress," and at
- the top of the last page the newsletter states, "National Security News is published by Bowman
- 4 for Congress " Id The sender of the newsletter is listed as "Bowman2006 Congressional
- 5 Campaign Committee," and a non-profit organization paid mailing permit appears to have been
- 6 used to mail the newsletter Id

While there is no information indicating that *National Security News* was targeted exclusively to potential voters in Dr. Bowman's congressional district, page seven of the newsletter states, " if you live in the district, you can host a house party, walk your precinct, make phone calls, or join Bob's volunteer staff." *See* Response at Exhibit 6. This suggests that the newsletter was mailed to at least some potential voters, and of course, all recipients would have been potential contributors

The Committee mailed *National Security News* with Discount Newsletter Printing, Inc.'s non-profit paid postal privilege. *See* Response at pp. 2 - 3. According to the response, Lee Boeble, the proprietor of Discount Newsletter Printing, Inc. misinformed the Committee about proper use of the printer's non-profit paid postal privilege to mail campaign material. *See* Bowman Affidavit at p. 3. The response states that at some point in time after June 2006, Dr. Bowman sought legal advice as to the appropriate method to mail campaign material, and was advised by counsel that election campaign material had to be mailed using the usual first class mailing rate or bulk rates applicable to bulk mail. *See id*.

<sup>&</sup>lt;sup>2</sup> In contrast to the June 2006 issue, the October 2006 issue of *National Security News* was sent by Discount Newsletter Printing, Inc. using the printing company's standard bulk rate indicia. *See* Bowman Affidavit at p. 3

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issue an admonishment

MUR 5876 (Discount Newsletter Printing, Inc.)
Factual and Legal Analysis
Page 4 of 4

The Committee calculated the additional postage it should have paid for the mailing of the June 2006 edition of National Security News, as \$1,097 05, and submitted documentation with the response that it had reimbursed that sum to the Post Office on November 27, 2006.<sup>3</sup> The Act prohibits corporate expenditures or contributions in connection with a Federal election See 2 U S C § 441b(a) A contribution is defined as including any gift, subscription, loan, advance, or deposit of money, or anything of value made by any person for the purpose of influencing any Federal election 11 C F.R § 100 52(a) The term "anything of value" includes all in-kind contributions, and unless specifically exempted, the provision of goods or services without charge or at a charge that is less than the usual and normal charge for such good or service 11 C F R § 100 52(d)(1) The Committee's use of Discount Newsletter Printing, Inc.'s non-profit mailing permit to mail campaign material at a discounted rate constituted a prohibited in-kind contribution from Discount Newsletter Printing, Inc. to the Committee in violation of 2 U.S.C § 441b(a). Given the small amount in violation, however, in the appropriate ordering of its priorities, the Commission has determined to exercise its prosecutorial discretion to dismiss the matter as it

pertains to Discount Newsletter Printing, Inc 's apparent violation of 2 U S C § 441b(a) and

<sup>&</sup>lt;sup>3</sup> Based upon the postage rates from Discount Newsletter Printing, Inc , it appears that the Committee reimbursed the Post Office the correct sum